CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

MAY 3, 2005

ANNOUNCEMENTS:
Mayor Lavagnino expressed the condolences of the City Council and staff for the passing of former City Administrator Bob Grogan. The flags have been lowered to half staff through Sunday, May 8th in his honor. Mr. Grogan was the City Administrator from 1963 to 1989. Mr. Grogan was a visionary and laid the foundation for the City's success.

INVOCATION:
Captain Eric Bradley of the Salvation Army gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Mariscal led the pledge of allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Trujillo, Police Chief Macagni, Director of Public Works Karp, Director of Community Development Lindsey, Fire Chief Ortiz, Director of Recreation and Parks Posada, Director of Administrative Services Snodgrass, Director of Utilities Chisam, City Engineer Sweet, and Chief Deputy City Clerk Perez.

PROCLAMATION – GO WESTERN DAYS
Mayor Lavagnino read a proclamation declaring May 7 through June 5, 2005, as "Go Western Days" in the City of Santa Maria and encouraging all residents to enter into the rodeo spirit by wearing western apparel. The proclamation was accepted by Ted Scott.

PROCLAMATION – KCOY'S SPRING FOOD DRIVE
Councilmember Patino read a proclamation declaring the week of May 2 through 19, 2005, as "KCOY's Spring Food Drive" in the City of Santa Maria and encouraging all residents of the Santa Maria Valley to participate by collecting cans of food for donation to the Santa Maria Foodbank. The proclamation was accepted by Nerissa Sugars, Dave Ulrickson and Laurie Pipan from KCOY and Cathy Hayes from the Foodbank.

PROCLAMATION – NATIONAL DAY OF PRAYER OBSERVANCE
Councilmember Orach read a proclamation declaring the week of May 5, 2005, as "National Day of Prayer Observance" in the City of Santa Maria and encouraging all Americans of all faiths to participate in the National Day of Prayer according to their own traditions. The proclamation was accepted by Linda Wynn, President of Community of Prayer, Inc.

PROCLAMATION – NATIONAL POLICE WEEK
Councilmember Trujillo read a proclamation declaring the week of May 13 through 21, 2005, as "National Police Week" and Wednesday, May 18, 2005, as "Peace Officers' Memorial Day" in the City of Santa Maria and encouraging all citizens to remember those individuals who gave their lives for our safety and express our appreciation to those who continue to dedicate themselves to making Santa Maria a safer place in which to live. The proclamation was accepted by Corporal Steven Lopez and Officer Shawn Fuggs.

PROCLAMATION – NATIONAL PUBLIC WORKS WEEK
Councilmember Mariscal read a proclamation declaring the week of May 15 through 21, 2005, as "National Public Works Week" in the City of Santa Maria, and urging citizens and civic organizations to acquaint themselves with the issues involved in providing public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life. The proclamation was accepted by Don Spagnolo, President of the Central Coast Chapter of the American Public Works Association.

PUBLIC COMMENT
Bob Ziener commended the City Council for recognizing the National Day of Prayer.

Ernest Armenta spoke on the Municipal Electrical Utility and requested residents have the right to vote on it. He also spoke on unreinforced masonry buildings being required to post signs on their buildings, the need for a Legislative Committee, and comments made by Mr. George Alverez at the last meeting.

CONSENT CALENDAR
Consent Calendar Items A through M were approved with the indicated action on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar will be adopted by the same vote cast at the first reading unless City Council indicates otherwise.

MINUTES
The Minutes of the Regular City Council Meeting of April 19, 2005, were approved as submitted.

RELEASE OF BONDS
A Faithful Performance Bond in the amount of $10,632 for the removal of an existing boundary wall along Sunrise Drive for Bradley Square, Tract 5782, Phases 5, 8 and 9 was released.

A Faithful Performance Bond in the amount of $197,262 for the construction and installation of public landscaping and irrigation and its maintenance for one year for Bradley Square, Tract 5782, Phases 5, 8 and 9 was released with the order that the Contractor, Labor and Material Bond be held until November 2005.

RELEASE OF BONDS
A Faithful Performance Bond in the reduced amount of $7,500 for the construction and installation of the Multipurpose Trail Connection to the Levee Bike Trail for North Preisker Ranch, Tract 5764, Phase 3, was released with the order that the Contractor, Labor and Material Bond be held until November 2005, and the Guarantee and Defective Material Bond be held until May 2006.

WARRANTS
Warrant Nos. 119664 to 119935 in the amount of $2,164,570.13 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 119257, 119277, 119301, and 119372 were cancelled.

PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads as shown on records on file in the Administrative Services

Department and having been approved for payment by the Director of Administrative Services.

AGREEMENT – PROFESSIONAL AUDITING SERVICES
Resolution No. 2005-62 was adopted authorizing the Director of Administrative Services to execute an agreement between Moss, Levy & Hartzheim, Certified Public Accountants, and the City of Santa Maria for Professional Auditing Services.

Resolution No. 2005-62 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AGREEMENT FOR PROFESSIONAL AUDITING SERVICES.

ABC LICENSE
A Notice from the California Department of Alcoholic Beverage Control of an application for an Alcoholic Beverage License for Clos Mimi located at 2330 Westgate Road, Unit 17 was noted and filed.

ABC LICENSE
A Notice from the California Department of Alcoholic Beverage Control of an application for an Alcoholic Beverage License for California Sushi & Teriyaki located at 416 E. Main Street was held in abeyance pending issuance of a Conditional Use Permit.

AWARD OF BID
Resolution No. 2005-63 was adopted approving an agreement with R. Baker, Inc. for Sanitary Trunk Sewer Replacement (100 Block South Oakley Avenue to 100 Block West Cook Street), Bid No. 2005/11 in the amount of $656,299.

Resolution No. 2005-63 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH R. BAKER, INC. FOR SANITARY TRUNK SEWER REPLACEMENT (100 BLOCK SOUTH OAKLEY AVENUE TO 100 BLOCK WEST COOK STREET), BID NO. 2005/11.

NOTICE OF COMPLETION
A Notice of Completion for Fire Station #4, Bid No. 2004/05 was approved for recording.

NOTICE OF COMPLETION
A Notice of Completion for Hwy. 101/Betteravia Road and Main Street Beautification, Bid No. 2005/02, was approved for recording.

AGREEMENT - SCHOOL CROSSING GUARD PROGRAM
Resolution No. 2005-64 was adopted approving an agreement with All City Management Services, Inc. (ACMS) for the School Crossing Guard Program.

Resolution No. 2005-64 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AGREEMENT BETWEEN ALL CITY MANAGEMENT SERVICES, INC. AND THE CITY OF SANTA MARIA FOR CROSSING GUARD SERVICES.

RESOLUTION OF NECESSITY – LIBRARY PROJECT
Director of Public Works Karp gave the staff report. The City Council approved a Library Master Plan in 1998 and was awarded a grant of $16,390,502 from the Library Construction Act of 2000 for the construction of a new public library. On July 1, 2003, the Council directed staff to implement Schematic Site Design Option 3A and acquire the necessary property and easements required by Option 3A. The one necessary property has been purchased and four of five easements have been acquired. The City had not been successful in negotiating the purchase of the last easement; and as a result placed this item on the agenda. Since that time, a tentative agreement has been reached with the property owners and staff would like the item continued to the next meeting to conclude negotiations.

Mayor Lavagnino thanked the representatives from the Trust, Mr. Stoker, and Mr. Williams, for meeting with City representatives and negotiating in good faith with the City.

Ernest Armenta spoke against the City using eminent domain to obtain property.

On motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

the item was continued to the regular meeting of May 17, 2005.

THIRD QUARTER FINANCIAL REPORT

Director of Administrative Services Snodgrass gave the staff report. With 75 percent of the year complete, revenues were at 74.3 percent of projections while expenditures were at 69.6 percent of projections. Total revenues and transfers were higher than budgeted and compared with the prior year. Total income was $2.2 million or 6.8 percent higher than last year, while departmental expenditures were $2.8 million or 11.6 percent higher than the prior year. Transfers-In were significantly higher in 2004-05 as a result of the $3.4 million funding from the Capital Projects-General Fund for the early retirement of 1993 bonds. The top five revenue sources account for about 66.3 percent of total General Fund revenues. The two largest budgeted revenues, sales tax and vehicle license fees (VLF), account for 45.3 percent and were directly tied to the economy. Sales tax receipts were approximately $950,500 less than the prior year as a result of the implementation of the State's Triple Flip, which replaces sales tax revenues with property tax revenues. The City received estimated payments toward the replacement property tax backfill, but the reconciliation payment would not be received until 2005-06. Vehicle License Fee receipts were approximately $571,100 higher than the prior year and were 55 percent of budget. The increase this year was due, in part, to the large decrease last year when the State deferred $1.4 million of VLF "Backfill Gap" monies due the City. The Backfill Gap was the result of the 2003 lag period between when VLF fees were increased and when payments, at the higher rate, were received. Operating costs were 5.4 percent less than budgeted for the third quarter. The Water/Wastewater Fund continues to have long-term commitments. It currently is in agreement with all of its rate restrictions and rate covenants. Additionally, staff is recommending approval of a budget amendment report which recommends several personnel and operational changes.

Mayor Lavagnino explained that the City only received 10 percent of one percent of the property tax paid by City residents under Proposition 13. The other 90 percent went to support the County, schools, special districts, and the State ERAF fund.

Councilmember Orach stated he noticed in the report that the sales tax reconciliation payment from the State as a result of the State's Triple Flip would not be received until 2005-06, and that hotel/bed tax receipts were higher than last year but lower than budgeted. He said he thought gas prices were responsible for that, and hoped gas prices would go down or people would come to Santa Maria instead of flying to other places.

Councilmember Patino stated during the first six months of the year, the City received $5.4 million from the sale of impacted soils and surplus water. She commended Public Works and Utilities staff for coming up with creative ideas to increase revenue without raising taxes. Councilmember Mariscal stated that the previous weekend Councilmember Trujillo, City Manager Ness, and himself were in Ojai. The local newspaper indicated the City of Ojai had a $1.2 million deficit. For a small City that was tremendous. According to the article, the City of Ojai had no idea how to bridge the shortfall in their budget. Apparently, that City did not have an emergency contingency fund set up like the City of Santa Maria started a number of years ago. The City has a wonderful City Manager, and he and his staff do an excellent job in keeping the City financially stable compared to other cities in California. The City does safeguard

taxpayers money and is in a good position because it has competent, knowledgeable, and dedicated people working for the City and sitting on the City Council.

Resolution No. 2005-66 was adopted on motion by Councilmember Orach, seconded by Councilmember Mariscal, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2005-66 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 2004-05 AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Ness reported on items for the May 17, 2005, City Council meeting including public hearings for the Maximus Use Fee Study and fee adoption; Growth Mitigation Fee adjustments; an extension to the Medical Marijuana Dispensaries moratorium; and a preliminary look at a General Plan Amendment and Zone Change application for Bella Venta, a People's Self-Help Housing Project on La Brea.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS:
Councilmember Trujillo reported on an interview he did for Univision TV Station. Their questions were related to population, sales tax, budget impacts related to population, housing, and jobs. It was a pleasure to be able to report what the City was doing. He reported on the Fighting Back Santa Maria Valley event and that his Rotary Club had donated $1,000 to this worthy cause.

Councilmember Orach reported on the Fighting Back Santa Maria Valley "Free For The Weekend" event in which high school students signed a document saying they would stay drug and alcohol free for the weekend. There was music, bands, dancing, free food, bounce houses, and free drawings. Pat Cusack and the people at Saturn went above and beyond to allow teenagers to use their facility for the event. The premise was to give teenagers a good, wholesome activity, where they are free to enjoy themselves without substance abuse. On May 21st a similar event for the Junior High students would be held.

Councilmember Patino stated she appreciated all the Councilmembers being at the "Free For The Weekend" event and supporting the endeavor. The Youth Coalition put the event together and it was very successful. The Elks Club barbecued hamburgers and hotdogs. The teens seemed to have a very good time. The Youth Coalition will attend the next meeting to provide a report to the Council.

Councilmember Patino also reported on the dedication of the jail to John Carpenter, ex-Sheriff of Santa Barbara County, in Santa Barbara.

Councilmember Mariscal stated he was at the "Free For The Weekend" event earlier in the evening and then attended the Centennial Program of the Santa Maria Philharmonic Orchestra. This is an asset of the community that many more people could enjoy.

Councilmember Mariscal commented on the good condition of the streets of Santa Maria. However, two major streets in the City are the property of and under the care of Caltrans, Main Street and Broadway. Caltrans did a major resurfacing of almost the entire length of Broadway except for a small area about 200 feet north of Betteravia. He requested the City work with Caltrans to try to repair that small portion of Broadway. He said he really appreciated the City Engineer's work with Caltrans to find a solution.

City Engineer Sweet explained that the City included that portion of Broadway in the latest Overlay Project. That section is expected to be completed prior to July 1st.

Councilmember Mariscal commended City Engineer Sweet for also getting an agreement with Caltrans to reimburse the City for the work.

CLOSED SESSION:
The City Council recessed to a Closed Session at 7:30 p.m. for the following: Conference with Legal Counsel regarding existing litigation pursuant to Subsection (a) of Government Code Section 54956.9 to discuss Santa Maria Valley Water Conservation District v. City of Santa Maria; and Conference with Real Property Negotiators pursuant to Government Code Section 54956.8 regarding property on the corner of Canyon Drive and Seward Drive, APNs 128-025-057, 128-025-058, and 128-025-059 with Agency Negotiator Director of Recreation and Parks to provide instruction to negotiator concerning price.

After the Closed Session, the following was announced:

Santa Maria Valley Water Conservation District v. City of Santa Maria – Status report. No reportable action.

Conference with Real Property Negotiator – Canyon Homes Lots – Report. Direction to staff.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:03 p.m. by order of Mayor Lavagnino.

APPROVED

May 17, 2005
Date

ATTEST
Chief Deputy City Clerk

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

Mayor of the City of Santa Maria